

OFFICIAL

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August 1987

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Territory of The Virgin Islands

Requirements for Third Party Liability - Payment of Claims

The Bureau utilizes the International Classification of Diseases, a revised Clinical Modification Volume (1) (ICDM) when processing and validating claims for payments. Through that method they can identify the diagnosis and trauma code to determine legally liable third parties. Follow-up on these claims is performed within sixty (60) days. Once verified, the third party is incorporated into the eligibility file and used for appropriate claims payment procedures (i.e., either cost avoidance or recovery).

When services are provided by the Health Department, third party liability is detected by the Medicaid identification card.

Special care is pre-authorized (within and outside the Virgin Islands) when it is provided by an agency or individual that is not part of the Health Department. The authorization clearly states that the Third Party is first choice of payments and that the Medical Assistance Program is billed for services not covered by that Third Party.

For claims that are not pre-authorized, if either the eligibility file or the claim itself indicates a liable third party, the claim is rejected and returned to the provider to first seek payment from the third party.

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If the claim has been paid and later it is learned that there is probable Third Party Liability involved, the Bureau will seek recovery within sixty (60) days after the end of the month it learns of the existence of the Third Party.

Administrative cost and cost effectiveness are also considered in determining if the amount expected will be greater than the cost of recovery:

- (1) An amount of under one hundred dollars (\$100.00) is determined as the threshold under which the State Medicaid Program would not seek recovery.
- (2) Because the major billing for services rendered Virgin Islands Medicaid recipients is from providers which are part of the Health Department, seeking recovery is primarily an internal matter, and thus cost effective at the level of one hundred dollars (\$100.00) and above.
- (3) The bureau monitors all claims on a monthly basis.

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